HHS Buyers Club Strategy

Executive Summary

The HHS Buyers Club is a HHS IDEA Lab sponsored project focused on addressing a critical problem in government: modernizing federal acquisition of information technology (IT) and related services. Given the expansion and impactful role of digital services throughout government, there are many opportunities to improve existing acquisition methods used to support government services, directly benefitting the public. It has been widely recognized that government access to and use of technologies that support data and information management are lagging behind the private sector. According to the 2013 Chaos Manifesto from the Standish Group, IT projects in excess of $10 million were found to be challenged or failed, 52% and 48%, respectively. Innovative strategies to leverage federal acquisition processes are needed to seek better value and outcomes for the services we provide that ultimately benefit the public.

Current federal acquisitions approaches reflect unnecessary operational and cultural barriers to success (planning, evaluation, award, and implementation), including but not limited to the lack of true end user and stakeholder engagement from cradle to grave in a manner that maximizes value while minimizing spend. We're not implementing new regulations or any new statutes but rather emphasizing new strategies allowed under the FAR or other approved legislation. Acquisition cycles are longer than IT development cycles, creating an unnecessary, lengthy, and outdated way of performing mission needs. Acquisitions require agility, both in terms of planning and implementation.

Federal acquisition workforce systems were never effectively designed for collaborative, collective forecasting whereby agencies may leverage buying power beyond strategic sourcing. Our systems are primarily designed for transactional needs with little regard for effective spend tracking and collective purchasing. While we're attempting to improve acquisitions of IT services, we need to begin a federal-wide dialogue with all stakeholders to design an IT procurement and acquisition system capable of providing stakeholder value. The federal government would benefit from a 21st century stakeholder-focused acquisition system as easy and beneficial to use as TurboTax, USAJobs, and Amazon.com. FedBizOpps.gov is itself a nightmare for all stakeholders and there's an opportunity to benefit from rarely-used innovative acquisition methods while also using those same methods to improve productivity and stakeholder value by improving our own procurement and acquisition systems.

Though the primary focus of the HHS Buyers Club is to modernize and improve acquisition of IT services through new and rarely-used innovative methods, it can't be overstated that there's a greater need for federal-wide collaboration on acquisitions. As agencies become more dependent on data and information to support their missions, they need a collaborative federal platform to help speed dissemination of the information while increasing productivity.

What does the HHS Buyers Club hope to achieve?

- To ensure greater success for every IT service acquisition by providing the best tools and resources for every stakeholder.
- To shift toward a collaborative, collective acquisition process where all stakeholders are involved early in an agile-oriented service implementation model.
- To mitigate risk and increase success by:
    - Understanding that the traditional reliance on text-based proposals leads to an increased risk of failure on large IT service acquisitions.
    - Utilizing more innovative, productive, and rarely used procurement methods such as functional prototypes, staged contracts, and incentive prize tools/challenges.

What makes this approach different and more likely to ensure success?

- **Focus on entire acquisition process, not only the procurement aspect**
    - Effective acquisitions require collaborative strategic planning, market research and testing, procurement, implementation, close-out, and feedback.
    - Successful acquisition (of all aspects) is more important than one piece.
    - What's the difference between **Acquisition** and **Procurement**?
        - **Acquisition**: Process that begins with the establishment of needs and includes the description of requirements, solicitations and source selection, contract award, contract financing, contract performance, contract administration, and all technical and management functions directly related to the process of fulfilling an organization's needs by contract.
        - **Procurement**: Complete action or process of acquiring or obtaining goods or services using any of several authorized means.
- **Development and experimentation of new models.**
    - Re-engineering the acquisition process so that it's inclusive of all stakeholders
    - Consistent involvement by mission/end users for decision-making
- **Learning Lifecycle – IT continuously evolves, requiring education & engagement.**
    - Continuous collaboration and sharing of resources for the benefit of all

How does the HHS Buyers Club relate to the following other federal-wide initiatives?

Acquisition and procurement reform is a hot topic these days, especially with regard to IT services given high failure rates, sluggish acquisition processes, and rapidly-evolving emerging technology. Each of the following federal initiatives are addressing various aspects of IT services with a varying emphasis on how to modernize the federal approach whether it's through strategic consulting, collaborative communities of practice, or the sharing of best practices. Better development or improvement of IT platforms and services will yield better outcomes for federal programmatic missions.

- U.S. Digital Service
  - An internal management consultancy focused on addressing digital gaps and weaknesses while providing guidance and strategy to fix them. That being said, it's not going to deploy staff to perform the work since both internal and external IT personnel will be able to do so.
- Digital Services Playbook
  - This document provides successful best practices (or "plays") for digital services to be used as effective guidance for agile implementation and goes hand-in-hand with the TechFAR. Given the many challenges of our digital services projects, use of this playbook should contribute to higher project success.
- TechFAR Handbook (TechFAR)
  - The TechFAR highlights the flexibilities in the Federal Acquisition Regulation (FAR) that can help agencies implement "plays" from the Digital Services Playbook while allowing contractors to utilize an iterative, customer-driven software development process, which is successful in the private sector.
  - Modular contracting and agile implementation is supported by the FAR and explained in this valuable resource for procurement and other stakeholders.
- Innovative Contracting Case Studies
  - We are using material from this document to develop new acquisition models, test methods, and educate stakeholders.
- Federal-wide Buyers Club
  - All Federal government employees with an interest in this topic are invited to join a community of practice around innovative acquisition by signing up for the new "Buyers Club" email group (open to all .gov and .mil email addresses).
  - We are actively involved in building this federal-wide community of practice
- Public Google Group
  - Public forum for anyone interested in discussing the newly-released Innovative Contracting Case Studies
- Many other agency and legislative initiatives throughout government
  - Both the HHS and Federal-wide Buyers Clubs will share those

What are the Primary Initiatives and who are the Key Stakeholders?

- Primary Initiatives
  - **Process Improvement** – Develop newer, easier, more effective acquisition models and processes.
  - **Communication** – Engage all key stakeholders with effective, mutually-beneficial education/outreach.
  - **Experimentation** – Test innovative procurement methodologies for IT product and service acquisition (and share the results for everyone to benefit).

- <u>Key Stakeholders</u>
  - All HHS Operating and Staff Divisions
    - Subject Matter Experts (SME's)
      - Program Managers; Procurement; Legal and Policy; Finance
      - Information Technology; & Communications and Media
  - Federal-wide Collaboration Opportunities
    - Executive Office of the President
      - Office of Science Technology and Policy (OSTP)
      - Office of Management and Budget (OMB)
      - Office of Federal Procurement Policy (OFPP)
    - Other Agencies
  - Prime (and Sub) Contractors and Vendors

Is there a role or benefit for each acquisition stakeholder?

Every acquisition stakeholder plays a vital role and each has different needs and guidance. It takes leadership, organization, and forces of community and collaboration to successfully complete every acquisition. It's always important to define who the stakeholders are in each project or acquisition, especially when they involve acquisition of IT services. Given the high failure rate of government IT projects where deliverables are either late, exceed budgets, and/or don't work well, it's also critical to define stakeholder roles and their potential participation benefits. All too often during acquisitions, known and unknown stakeholders have an impact, but typically don't work together from the initial determination of need. By defining potential benefits of collaborating at the earliest possible stage of an acquisition, every stakeholder can better understand their place in the acquisition process and inevitably see themselves as a vital team member.

- Federal
  - End Users/Program staff
    - Role: Determine a need or requirement and immediately begin dialogue with federal Subject Matter Experts (SME's) for effective acquisitions while staying engaged throughout the entire process.
    - Benefit: Receive consistent, effective acquisition guidance, information, and tools on all acquisition options.
  - Procurement officials
    - Role: Effectively participate early in the acquisition process by providing legally-allowable procurement guidance, more effective advisory services such as market research, and maintaining active involvement for planning, evaluation, award, implementation, administration, and close-out.
    - Benefit: Greater opportunity to understand mission needs, effectively interact with all stakeholders on an ongoing basis, and gain satisfaction by becoming more involved with customer and mission outcomes.

- o Financial management
    - Role: Effectively participate early in the acquisition process by providing more effective advisory services such as Federal Appropriations Law guidance, forecasting, severability and non-severability determination assistance, and maintaining active involvement for planning, evaluation, award, implementation, administration, and close-out.
    - Benefit: Greater opportunity to understand mission needs, effectively interact with all stakeholders on an ongoing basis, and gain satisfaction by becoming more involved with customer and mission outcomes.
- o IT staff (security, engineering/architecture, support, and so forth)
    - Role: Provide appropriate and early guidance on navigating complex issues essential to the acquisition process, such as 508 accessibility, security requirements, clearances, and emerging technology guidance since we are focused on information technology services.
    - Benefit: Greater opportunity to understand mission needs, effectively interact with all stakeholders on an ongoing basis, and gain satisfaction by becoming more involved with customer and mission outcomes.
- o Executive Leadership
    - Role: Support the use of new acquisition practices, models, and methods in order to achieve successful outcomes
    - Benefit: Maximizing taxpayer value while improving organizational effectiveness
- o Legal
    - Role: Provide legal review and guidance, where applicable.
    - Benefit: Greater opportunity to understand mission needs, effectively interact with all stakeholders on an ongoing basis, and gain satisfaction by becoming more involved with customer and mission outcomes.
- o HHS Buyers Club Project Manager via the IDEA Lab
    - Role: Provide strategic guidance, identifying opportunities to improve IT service acquisitions while collaborating and leveraging resources to achieve strategic objectives.
    - Benefit: Enabling HHS mission success
- Private Sector
  - o Prime and sub-contractors/vendors
      - Roles: Providing first-class, effective service delivery based upon actual customer needs through modernized IT service delivery while also contributing effective feedback to the acquisition community on how to improve all aspects of the acquisition process for everyone's benefit. Iteration is essential and private sector technology moves at a rapid pace.
      - Benefit: Effective involvement with federal stakeholders as well as appropriate financial compensation. Enhanced partnership in a rapidly-evolving innovative technology landscape where communication and collaboration are vital to federal mission needs.

Brief Timeline (Detailed plan below)

Dates	Action	Outcome
Version 1.3 released 8.18.14	Innovative Acquisition Decision Diagram	To facilitate use of innovative acquisition methods
Continuous	Develop relevant communication content and strategy for dissemination	Increased education and engagement
November 2014 – January 2015	Buyers Club Presentations & User Interviews for ALL stakeholders	Education; Engagement; Collaboration; Identification of upcoming acquisitions
Beginning in January, 2015	Host Buyers Club Gatherings on Quarterly Basis	Education/Engagement
No Later Than (NLT) 1.19.2015	Develop Buyers Club workgroups in each OpDiv	Community of Practice with better local understanding; Increased bandwidth for success
No Later Than 1.19.2015	Version 1.4 of the Innovative Acquisition Decision Diagram	To reduce acquisition failure rates by facilitating the use of innovative acquisition methods
2.1.2015	Address innovative acquisition training	Work with OpDivs and other federal agencies to set up department or federal-wide training vehicles; Recruit internal and external SMEs to record short YouTube training videos
6.30.2015	Showcase 2 use cases per innovative methodology	Education and Engagement
No Later Than 9.30.2015	Ensure all OpDivs utilize innovative acquisition methods	Use of at least one innovative method by each OpDiv; Establish baseline measurements of success/failure transparently
No Later Than 9.30.2015	Target specific areas for collaboration to: avoid redundancies in cost and number of projects	Collaboration by 1 or more StaffDivs & Collaboration by 1 or more OpDivs
No Later Than 12.15.2015	Data Collection (from FY '15)	Annual Report
No Later Than FY 2016	Launch some version of GSA's IT Spend Tracker	Enable better: IT spend; Collaboration across HHS; Reduction in Cost, Time, and Redundancy

Action Plan by Element (Goal, Action, Metric, Timeline, Status and Feedback)

- **Process Improvement**

	Primary Goal	Metric	Timeline	Status & Feedback
	Develop newer, easier, more effective acquisition models and processes for HHS. • Use FY 2015 to set an HHS Baseline	Reduce the number of challenged and/or failed acquisitions based on: 1. Timeliness of deliverables 2. Quality/satisfaction with deliverables 3. Cost of deliverables	Annual Report Due by: 12.15.2015	
	Actions			
1	Develop effective Innovative Acquisition Decision Diagram and Iterate with Feedback	Completed 8/18/2014	Version 1.3 released 8.18.2014	Minimal, thus far
2	Conduct presentations and user interviews with key stakeholders to determine needs for easier, more effective/efficient acquisition models and processes	All OpDivs within Q1 of FY '15 • Depends on Availability	Continuous	
3	Solicit and incorporate feedback from the Acquisition Diagram (Version 1.3) via presentations and user interviews to determine effectiveness and incorporate the following: • Best Practices & Guidance • Templates • Common Barriers and Solutions • Links to Research • Potential Pitfalls & Lessons Learned • Opportunities for Collaboration • Use Cases (Successful & Failures) • Other Ideas	Feedback & material from: • HHS OpDivs and SMEs • Federal-wide Buyers Club • Other agencies • Private Sector	No Later Than 1.19.2015, but continuously updated	

| 4 | Release Version 1.4 of the Acquisition Diagram with web links, including the following:
• Best Practices & Guidance
• Templates
• Common Barriers and Solutions
• Links to Research
• Potential Pitfalls & Lessons Learned
• Opportunities for Collaboration
• Use Cases (Successful & Failures)
• Other Ideas | Incorporate bulleted categories and Version 1.3 feedback into Version 1.4 | Release No Later Than 1.19.2015 | |

- **Communication**

Primary Goal	Metric/Outcome	Timeline	Status & Feedback
Increased engagement of all key stakeholders with effective, mutually-beneficial education/outreach.	• Increased usage/acceptance of methods; • Improved understanding of acquisition implications; • Increased stakeholder collaboration (internal/external) • Use FY 2015 to set baseline metrics	Continuously evaluated each fiscal quarter	

	Actions		
	Category: Education/Training		
1	Deliver "Road Show" Presentations on HHS Buyers Club to Key Stakeholders • General Failure Rates/Research (via CHAOS report) • Decision Diagram • Use Cases • New Methods • How-To • Blend SME's altogether per session • Webinars, etc… based on knowledge gaps and misconceptions	• Increased education, engagement, and collaboration • Help establish OpDiv Communities of Practice • Identification of upcoming acquisitions that may benefit from new approaches • Increase Yammer membership and engagement	Beginning November 2014 for every OpDiv as well as a Contractor-focused approach.	
2	Recruit stable OpDiv Leaders and/or Ambassadors that understand all acquisition aspects (5-10) to increase necessary bandwidth to assist with reaching desired outcomes. • Host monthly calls to gauge progress and provide support • Define roles clearly	• Develop OpDiv communities of practice • Build networks/Share • Better understanding of OpDiv/local issues	No Later Than 1.19.2015	
3	Address innovative acquisition training • Agile implementation • How-to run challenges? • Acquisition Process Training for IT Services for ALL Stakeholders • CO/CS/COR/Finance/IT/Legal • FAC (C & COR) Combined Training • Contract Mgt – CO/CS Admin	• Help OpDiv set up department or federal-wide training vehicles • Recruit internal and external SMEs to record short YouTube training videos	Begin discussions No Later Than 2.1.2015	

	• IT Services Mgt – COR • Integrated Product Team (IPT) • Webinars			
4	Host Quarterly Buyers Club Gatherings • Initial with Mark leading • Subsequent with OpDiv leadership	Via Webinars or Email until OpDiv can stand on own	Beginning 2nd Qtr of FY 15 after Presentations	
5	Develop relevant communication content and strategy for dissemination • Blog Posts • Articles • Op-Eds • Use Cases • Conferences	Increased user engagement metrics via Yammer, Blog, Web Site, and Social Media • #'s TBD	Continuously evaluated per fiscal quarter	
	Category: Digital Outreach			
6	Increase Yammer page membership and engagement rates.	• 100 members • 200 members • 300 members • 400 members • 600 members • 800 members	• 2/2015 • 3/2015 • 4/2015 • 6/2015 • 8/2015 • 10/2015	• Reached or Not? • Need social media strategy to drive traffic and engagement • Need Use Cases
7	Post bi-monthly Blog Posts (push to Yammer and other social media channels) • Build pipeline of posts, including Guest Blog Posts from HHS staff	Bi-monthly blog posts • Increased engagement/discussion • #'s TBD	Beginning 11.6.2014	
8	Host Monthly Google Hangout Outreach Sessions • Internal – Variable Mixture • External – Contractors/Vendors	Engage new/existing users • Measure the # of participants	Beginning 12.1.2014	

9	Send Email Blast about Progress • Updates • Use Cases • Upcoming Events (including Training)	Engage new/existing users • Measure the # of participants and use feedback to justify future actions	Quarterly	
	Category: Incentives & Recognition			
10	Incentivize Acquisition Change with Awards (financial, time off, or meritorious) • Cross-silo collaboration (across HHS and federal govt) • Various categories	Use FY 2015 as baseline to determine if incentives work	Annual	
11	Host inaugural "March Madness-style" Buyers Club award for best IT Service Acquisition	Incentivize use of innovative methods • Set Baseline	Annual	
	Category: Business Outreach			
12	Attract new businesses to HHS IT Services Acquisitions	Use FY 2015 as Baseline	Annual	

- **Experimentation**

	Primary Goal	Metric	Timeline	Status & Feedback
	Test innovative procurement methodologies for IT service acquisition (and share the results in Use Cases for everyone to benefit)	Showcase at least Two (2) Use Cases per methodology	No Later Than 6/2015	
	Actions			
	Category: Utilization, Analysis, and Evaluation per OpDiv			
1	Ensure all OpDivs utilize innovative acquisition methods	Use of at least one innovative method by each OpDiv Establish baseline measurements of success/failure transparently	End of FY 2015	- Action/Goal Reached? - Full Debriefs and Use Cases will benefit HHS
2	Target specific areas across HHS for Benefit - Collaboration - Avoid Redundancies in Cost/Project - Identify opportunities	- Collaboration by 1 or more StaffDivs - Collaboration by 1 or more OpDivs	- No Later Than '15 - No Later Than '15	
3	Launch some version of the GSA IT Spend Tracker for HHS at acquisition planning onset - Will work with CIO shop in FY '15 for FY '16 Testing - More of a Collaborative Spend Tool	- Any collaboration on acquisitions across StaffDiv or OpDiv - Reduction in Cost, Time, and/or Redundancy - Use Case illustrating Value for this	No Later Than '16	